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Voluntary - Public

Date: 3/28/2019

GAIN Report Number: CH 19021

China - Peoples Republic of

Post: Beijing

China Grants U.S. Market Access for Milled Rice Exports to China

Report Categories:

Grain and Feed

FAIRS Subject Report

Approved By:

Michael Ward

Prepared By:

Gene Kim and Mariusz Tadych

Report Highlights:

On December 27, 2018, the General Administration of Customs of China (GACC) granted market access to U.S. milled rice and listed 7 U.S. rice facilities as approved to export to China. An additional 25 U.S. facilities were listed as approved to export to China on February 28, 2019. This guide will assist U.S. exporters in understanding the rules of the road to ship milled rice to China. It contains an unofficial translation of a notice titled "Announcement on Inspection and Quarantine Requirements for Imported American Rice" and a sample USDA phytosanitary certificate as agreed by the USDA, Animal Plant Health Inspection Service (APHIS) and the GACC, Bureau of Import and Export Food Safety. This guide is not designed to be a substitute for commercial due diligence. Given China's dynamic food regulatory environment, it is recommended that U.S. exporters verify the full set of import requirements with their foreign customers prior to shipping goods to the Chinese market.

Executive Summary:

China announced the opening of its market to U.S. milled rice, specifically husked (brown), semimilled, or wholly milled (white), and broken rice (HS Codes 1006.20, 1006.30, and 1006.40) on December 27, 2018. As of February 28, 2019, China has listed 32 U.S. rice facilities as approved to export to China. These facilities are able to ship U.S. rice to China provided they adhere to the export protocol agreed upon by USDA's Animal and Plant Health Inspection Service and China's General Administration of Customs. The export protocol stipulates that U.S. rice shipments to China be fumigated and proscribes a specific treatment dosage and length of time. This report outlines certain parts of the export process to assist U.S. milled rice exporters.

Product Scope:

China allows market access for U.S. exports of milled rice including husked (brown), semi-milled, or wholly milled (white), and broken rice (HS Codes 1006.20, 1006.30, and 1006.40) and does not allow market access for U.S. rough rice or paddy rice exports.

Steps for Exporting U.S. milled rice to China

Step 1

Action: If you plan to export from one of the 32 U.S. rice facilities approved for export to China, please proceed to Step 2. If you would like to be added on the GACC list of registered export facilities approved to ship to China, please contact the USDA, Animal and Plant Health Inspection Service for further information about the registration process.

Check: GACC website for "<u>List of Registered U.S. Rice Producers (Updated February 2019)</u>" (获得注册登记的美国大米生产企业名单(2019年2月更新))

Contact:

USDA-APHIS

Plant Protection and Quarantine (PPQ)

Phytosanitary Issues Management (PIM), Export Services (ES)

Email: PPQExportServices@aphis.usda.gov

Phone: (301) 851-2309

Step 2

Action: Facilities intending to export to China also need to register with the USDA's Agricultural Marketing Service (AMS), Federal Grain Inspection Service (FGIS). If your facility has an existing registration with USDA-AMS-FGIS, please proceed to Step 3.

To register as an Exporter, visit the <u>FGISonline Delegation</u>, <u>Designation and Exporters Registration</u> (<u>DDR</u>) web application or download the <u>FGIS-945 Application for Registration</u>.

¹ Importer requirements for a non-automatic import license, and the Tariff-Rate Quota (TRQ) application and certificate registration process are beyond the scope of this report.

Check: USDA-AMS-FGIS, "2018 Registered Grain Exporter's Directory"

Contact: USDA-AMS

Federal Grain Inspection Service

Quality Assurance and Compliance Division (QACD)

Email: FGISQACD@ams.usda.gov

Phone: (202) 720-0203

Website: https://www.ams.usda.gov/services/fgis/international

Step 3

Action: Once a contract is signed and a delivery period is determined. The exporter will request grain inspection services from the Accredited Certification Official (ACO) with sufficient lead time to schedule the sampling, inspection, testing, etc. of the consignment prior to shipping or loading.

Check: The official USDA export phytosanitary certificate will specify that the rice shipment has been inspected according to official procedures, is free of quarantine pests as specified by the importing contracting party, and confers with the current phytosanitary requirements of the importing contracting party, including those non-quarantine pests.

Link to an electronic Export Certificate form:

https://www.aphis.usda.gov/aphis/ourfocus/planthealth/sa_export/sa_forms/ct_export_certificates_forms

Contact: Office of the Export Certification Specialist in each State

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Step 4

Action: Prior to loading, the transportation conveyance (vessel or shipping container) must be thoroughly inspected for structural integrity and free of pests and debris.

Check: The ACO will issue an official stowage examination certificate stating that the vessel holds were duly examined prior to loading and found to be substantially clean, or the shipping container is free of extraneous material including unwanted plants, plant products, insects, egg masses, snails, animals, animal droppings, and soil.

For more information, please refer to: https://treatments.cphst.org/vessels/

Step 5

Action: The seller is typically responsible for making arrangements to fumigate the commodity at his or her expense a maximum of 15 days prior to loading.

Export cargoes will be fumigated with phosphine at a dosage of 2.3 grams per cubic meter in accordance to the bilaterally agreed pest mitigation treatment schedule for storage pests, and consistent with U.S. Environmental Protection Agency approved labeling instructions.

Recommended Fumigation Processing Standards for U.S. milled rice Exports to China					
Processing Chemicals	Minimum Processing Temperature (°C)	Unit (g/m³)	Fumigation Time (Hours/Day)		
Phosphine	10-19	2.3	120/5		
	≥20	2.3	72/3		

Check: A fumigation provider will issue an official certification of fumigation. The ACO will also declare that U.S. milled rice intended for export to China was fumigated prior to departure on the official phytosanitary certificate in accordance with "The Protocol of the Phytosanitary Requirements for the U.S. to Export Rice to China." USDA/APHIS-PPQ accepts treatments by State, County and USDA-AMS-FGIS cooperators for inclusion on phytosanitary certificates.

Step 6

Action: An ACO at the port of loading will assess that a U.S. milled rice shipment intended for export is free of pests, including prohibited insects, weed seeds, and foreign matter, relative to China's import regulations.

*Note: USDA-APHIS and USDA-AMS-FGIS have entered into a Memorandum of Understanding (MOU) that sets forth the policies and procedures by which the USDA-AMS-FGIS and USDA-APHIS will collaborate on the issuance of phytosanitary certificates. Link to APHIS Export Program Manual: https://www.aphis.usda.gov/import_export/plants/manuals/domestic/downloads/xpm.pdf

Link to USDA-AMS-FGIS Handbooks:

https://www.ams.usda.gov/publications/content/fgis-pdf-handbooks

Check: The USDA/APHIS Phytosanitary Certificate Issuance and Tracking (PCIT) System automates the issuance of a phytosanitary certificate, including the collection and tracking of its related information. A link to the PCIT system can be found here: https://pcit.aphis.usda.gov/pcit/

Contact:

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USDA-AMS

Federal Grain Inspection Service (FGIS)
Grain Inspection, Packers, and Stockyards Administration (GIPSA)

Policies, Procedures, and Market Analysis Branch

Phone: 202-720-0228

Link to USDA-AMS-FGIS, Phytosanitary Inspection, Directive 9180.35, November 30, 2018 https://www.gipsa.usda.gov/laws/directives/9180-35.pdf

Step 7

Action: The exporter will issue a Certificate of Origin, which certifies that the grain is a product originating in the United States of America, identifies the seller or the agent as well as the carrier, and gives a general description of the commodity. At this point, the vessel departs the United States.

Step 8

Prior to arrival at the port of destination, the importer and their agents will verify that all necessary documentation is prepared for presentation to local China Entry-Exit Inspection and Quarantine Bureau (CIQ) officials.

Step 9

Upon arrival at the destination port, the local CIQ will conduct "on-site entry inspection" procedures including:

- (a) Verification of all shipping documents (phytosanitary certificates, certificate of origin, facility registration lists, and other relevant documents)
- (b) Sampling of the shipment in accordance with GACC, Plant Quarantine and Inspection Protocols. All shipments will be inspected for grain quality, pests, foreign matter, and fumigation residues.
- (c) If applicable, verification of the number of containers and their seals.

Post's current understanding is that GACC and CIQ are treating all first shipments from a company to a new port as an elevated risk, and therefore, these initial shipments will be sampled at higher rates than normal for pest, foreign matter, and grain quality.

While the product is being tested, but before a release certificate is issued, the importer may be able to take physical possession of the shipment. However, until the release certificate is issued by the CIQ, the shipment may not enter into commerce.

Any positive detection of agricultural chemical residues that are banned in China will result in the shipment being destroyed, returned to the shipper, or rerouted to third-country destinations.²

For additional information please visit: General Administration of China Customs Customs Clearance Administration

Website: http://english.customs.gov.cn/service/query

Step 10

Once testing has been completed, the CIQ issues a "Certificate of Quarantine" to the importer and the importer takes custody of the product.

² China maintains a large number of tolerances for agricultural chemical residues in rice. Particular attention should be paid to China's restrictions on maximum residue limits (MRLs) related to herbicides, pesticides, fungicides, and other chemical compounds. Please refer to GAIN report CH18010, "China Notifies Draft Maximum Residue Limits for Pesticides in Food."

Useful Government of China Websites:

China's equivalent of the U.S. Department of Agriculture, Animal and Plant Health Inspection Service is GACC. Additional information can be found at:

http://www.customs.gov.cn/customs/302249/302266/302267/index.html

Useful U.S. Government Websites:

Below are links to website resources from the USDA-APHIS, Plant Protection and Quarantine website:

- Export Program Manual
- Responsibilities of an exporter (shipper/agent)

Below are links to website resources from the USDA-AMS-FGIS website:

- https://www.ams.usda.gov/services/fgis/inspection-services
- Grain Inspection Handbooks
- Pesticide Analysis Service Program

The inspection of rice is a service provided under the United States Agricultural Marketing Act of 1946.

International Services – Rice Inspection Services

Below are links to relevant FAS-China GAIN reports about food safety regulations and national standards for rice:

- GAIN Report CH17075, "Food and Agricultural Import Regulations and Standards Narrative, FAIRS Country Report – People's Republic of China"
- GAIN Report CH17076, "Food and Agricultural Import Regulations and Standards Certification, FAIRS Export Certificate Report People's Republic of China"
- GAIN Report CH17018, "Code of Hygienic Practice for Storage and Transportation of Grains"
- GAIN Report CH17041, "China Releases New Draft Standards on Maximum Residue Limits"
- GAIN Report CH17061, "China Notifies Draft Maximum Residue Limits for Pesticides in Food"
- GAIN Report CH17027, "China Releases Revised National Food Safety Standard for Grains (GB 2715-2016)"
- GAIN report_CH18010, "China Notifies Draft Maximum Residue Limits for Pesticides in Food"
- GAIN Report CH18008, "China's Food Safety Standard for Pathogen Limits on Foods"
- GAIN Report CH19001, "National Standard GB/T 1354-2018 'National Standard for Rice"

General Information

Announcement Link:

http://www.customs.gov.cn/customs/302249/302266/302269/2161174/index.html

Disclaimer: This translation is unofficial and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this translation and the complete announcement as published in Mandarin, the latter shall prevail.

UNOFFICIAL TRANSLATION OF GENERAL ADMINISTRATION OF CUSTOMS ANNOUNCEMENT

General Administration of Customs Announcement on "Inspection and Quarantine Requirements for Imported American Rice"

No. 211 of 2018

According to relevant Chinese laws and regulations and the protocol signed by China and the United States on the phytosanitary requirements for U.S. milled rice exports to China, U.S. milled rice is allowed to be exported to China. U.S. milled rice exports to China should meet the requirements for inspection and quarantine of imported U.S. rice (see attachment).

This announcement is implemented as of the date of promulgation.

Special announcement.

Attachment: Imported US rice inspection and quarantine requirements.doc

Attachment Link:

http://www.customs.gov.cn/customs/302249/302266/302269/2161174/2018122816243756700.doc

Date: December 27, 2018

UNOFFICIAL TRANSLATION BY USDA/APHIS BEIJING OFFICE GENERAL ADMINISTRATION OF CUSTOMS, P.R. CHINA

Inspection and Quarantine Requirements on Rice Import from U.S.

1. Products that Allowed Entry

The country of origin is the U.S.A. (including husked (brown), semi-milled or wholly milled (white), and broken rice, HS Code 1006.20, 1006.30, 1006.40).

2. Requirements on Facilities

The rice mill and export warehouse of the U.S. milled rice to be exported to China should comply with the China's phytosanitary requirements, and should be registered with USDA, then certified and registered by the General Administration of Customs, P.R. China (GACC).

3. Phytosanitary Requirements

- (1) U.S. milled rice to be exported to China should comply with both U.S. and Chinese phytosanitary laws and regulations, and be inspected according to U.S. official phytosanitary procedures and meet certification requirements.
- (2) U.S. milled rice to be exported to China should not carry the following quarantine pests of concern: *Pharaxonotha kirschii*, *Tribolium audax*, *Trogoderma anthrenoides*, *Trogoderma granarium*, *Trogoderma sternale*, and *Trogoderma versicolor*.
- (3) The U.S. milled rice to be exported to China should not carry soil, and should not be mixed with rice husk, rice bran, weed seeds and other plant debris.

(4) Requirements on Phytosanitary Certificate

Each shipment of U.S. milled rice should be accompanied by a Phytosanitary Certificate issued by the U.S. official authority. Each Phytosanitary Certificate should have the following Additional Declaration: "The rice covered by this Phytosanitary Certificate complies with the 'Protocol of the Phytosanitary Requirements for the U.S. milled rice Exported to China' signed in Washington, DC on 19 July 2017 between China and the U.S."

(5) Requirements on Packaging

U.S. milled rice should be packed with clean, sanitary, and new packaging materials permeable to fumigation and complying with Chinese phytosanitary requirements. The statement "This commodity is exported to the People's Republic of China," the rice type, the name and address of mill and exporter should clearly appear in Chinese on each package, as well as the rice variety(s). The above mentioned information can be applied to the package in the form of an adhesive label.

(6) Requirements on Fumigation

The U.S. milled rice should be fumigated before export to ensure the rice is not carrying live insects, especially storage pests, and be accompanied by a certification of fumigation.

(7) Requirements on Transportation Conveyance

Prior to loading of the U.S. milled rice, the transportation conveyance should be thoroughly inspected, and if found containing pests or material of quarantine concern, loading will not be permitted until the pests or material have been eliminated, or a replacement conveyance meets inspection requirements.

(8) Other

Please visit GACC's official website for the registered facility list of U.S. milled rice and the sample of the Phytosanitary Certificate.

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